Date: November 14, 2014

To: Human Resources Officers
    Payroll Managers

From: Evelyn Nazario
    Associate Vice Chancellor
    Human Resources Management & CO HR Services

Subject: FY 2014/15 Salary Program for State Employees Trades Council (SETC – Unit 6)

Overview

Audience: Human Resources Officers, Payroll Managers and/or campus designees responsible for employee payroll processing.

Action Item: Implement new salary provisions effective July 1, 2014.

Affected Employee Group(s)/Unit(s): Eligible SETC (Unit 6) employees

Summary

This technical letter provides information regarding salary program provisions pursuant to the agreement reached between the California State University and the State Employees Trades Council for fiscal year 2014/15.

Pursuant to the September 16, 2014, Memorandum of Understanding (MOU) between the California State University (CSU) and the State Employees Trades Council (SETC), salary program provisions for FY 2014/15 are provided below:

➢ Salary Program effective July 1, 2014:
    • 3% General Salary Increase
    • Salary range minimums and maximums will be increased by 3%

Detailed Information for Salary Provisions:

➢ General Salary Increase (GSI):
    • Effective July 1, 2014, the State Controller’s Office (SCO) will post a 3% GSI via mass update to the individual salary rates of bargaining unit members who are:
      ▪ In active pay status as of July 1, 2014.
    • The increase shall be paid pro-rata for employees who are less than full time.
    • Hourly employees will receive the 3% increase on their base pay.
    • The SCO will post the GSI increases via GEN transaction on the night of December 2, 2014. All eligible active employees will receive the GSI retroactive to July 1, 2014. Payroll warrants (paper warrants and direct deposits) for the retroactive portion of the salary increase (e.g., from July – November 2014) will

Distribution:
-CSU East Bay President
-Cal Maritime Academy President
-Vice Chancellor, Human Resources

All Campus Vice Presidents
-Budget Officers
-State Controller’s Office/PPSD
begin to issue as early as the first week in December. Base salary increases will be incorporated into the December 2014 master payroll warrant (issue date: January 1, 2015.)

- **GSI increases for eligible employees in non-pay status (e.g., on leave) will be processed manually by the respective campus effective the date the employee returns to active pay status.**

- **Employees appointed between July 1, 2014, and the date of the mass update whose salary rate is below the new minimum after the application of the 3% GSI will have their salary rate increased to the new salary range minimum by fixing the original AXX record (SCO will process A52F) and keying the appointment with the new minimum salary. CIRS Compendium Report L16, Cycle 1412 lists employees that fall below the new salary range minimum.**

- **Employees appointed after the mass update must be appointed under the new salary schedules.**

- **Employees on Military Leave receiving a Military Difference in Pay CSU salary supplement should have the difference between the CSU salary and military pay recalculated based on the employee's new salary rate, pursuant to the CSU policy. Campuses are responsible for completing this manual process.**

- **All newly hired SETC employees appointed effective on or after July 1, 2014, are not eligible for the increase unless the offer of appointment includes contingency language calling for the application of any negotiated salary increase. If, however, the appointment salary is below the new salary range minimum, the salary must be increased to the new minimum of the new salary range. CIRS Compendium Report L16, Cycle 1412 lists employees that fall below the new salary range minimum.**

- **Employees with only temporary appointments with expiration dates of June 30, 2014, or earlier will not receive the GSI. CIRS Compendium Report G06, Cycle 1412, lists employees with expired appointment expiration dates that will not receive the GSI. Separated temporary appointments with expiration dates of June 30, 2014, or earlier will not receive the GSI. Note however, that should an employee have additional active positions that are eligible for the GSI, the mass update will apply the GSI in all positions, including temporary appointment(s) with a June 30, 2014, or earlier expiration date if the temporary appointment has not been separated. CIRS Compendium Reports H50, Cycle 1412, and tab delimited file H80, Cycle 1412, lists employees that will receive the GSI in expired temporary appointments for campus reference and verification. Campuses are responsible for ensuring that temporary appointment statuses are accurately reflected in the employment history database.**

- **Salary Ranges**

  - The salary range minimums and maximums for all SETC classifications will be increased by the General Salary Increase amount effective July 1, 2014.
  - The updated salary schedule will be available on the CSU web site (https://www.calstate.edu/HRAdm/SalarySchedule/salary.aspx) after the mass update has been completed on December 3, 2014.

- **Mass Update Considerations**

  - When mass updates are run, all subsequent salary transactions are increased accordingly by the GSI.
  - When mass updates are run, payments may suspend from the automated process (e.g., out of service” records), requiring further analysis; such payments may require additional time for manual processing by the SCO.

- **Salary Increase Rounding Considerations:**

  - The 3% GSI increase is subject to SCO rounding as a result of the mass update process. The SCO’s GSI mass update program rounds individual monthly based-on salary rates to the nearest whole dollar. The program adds fifty cents to the existing dollar amount and then truncates the cents in order to create a
new whole dollar amount. **Campuses are responsible for ensuring that manually processed GSI’s are applied uniformly and consistently by using the same rounding logic.** Actual salary rates are derived by the payroll system by multiplying the based-on salary rate by the time base fraction, which (based upon the timebase fraction), could cause individual actual monthly salary rates to result in amounts with dollars and cents. Examples for processing the 3% GSI are provided as follows:

**Example #1:**

\[
\text{Original Based-on Rate} = 4,721 \\
\times 1.03 = 4,862.63 \\
+ .50 = 4,863.13
\]

New monthly based-on rate = $4,863.00*

(*cents are truncated to create whole dollar amount)

**Example #2:**

\[
\text{Original Based-on Rate} = 3,669 \\
\times 1.03 = 3,779.07 \\
+ .50 = 3,779.57
\]

New monthly based-on rate = $3,779.00*

(*cents are truncated to create whole dollar amount)

- The SCO’s GSI mass update program rounds individual hourly rates to two decimal places from the whole dollar amount. **Campuses are responsible for ensuring that manually processed GSI’s are applied uniformly and consistently by using the same rounding logic.** Examples for processing the 3% GSI for hourly rate classifications are provided as follows:

**Example #1:**

\[
\text{Original Based-on Rate} = 10.00 \\
\times 1.03 = 10.30
\]

**Example #2:**

\[
\text{Original Based-on Rate} = 11.85 \\
\times 1.03 = 12.205
\]

The following processing instructions are provided in Attachment A:

⇒ **Salary Increase Program I – General Salary Increase (GSI)**

Please direct questions regarding this technical letter as follows:

- PIMS processing instructions: CSU Audits representative at the SCO
- CMS Baseline processing instructions: CMS liaison for Systemwide HR at (562)951-4418
- Collective bargaining aspects: Labor Relations at (562)951-4400
- All other questions: Human Resources Management at (562)951-4411

This document is available on the Human Resources Management’s Web site at: [https://www.calstate.edu/HRAdm/memos.shtml](https://www.calstate.edu/HRAdm/memos.shtml)

EN/DTH/vk

Attachment
# PROCESSING INSTRUCTIONS

## SALARY INCREASE PROGRAM
I – General Salary Increase (GSI)

### PAY SCALES IMPACT:

| Change Summary: | • Increase the salary range minimums and maximums by 3%  
| | • Increase the individual salary rates of employees by 3%  
| | • Increases will be applied pro-rata for employees who are less than full-time  |
| Class Code(s): | All Unit 6 classifications  |
| CBID: | R06  |
| Pay Scales Effective Date: | 07/01/2014  |
| Date in Production: | 12/02/2014  |
| Pay Letter: | 2014-10  |

### EMPLOYMENT HISTORY (EH)/PAYROLL IMPACT:

| Processing Responsibility: | • The SCO will post increases into PIMS database via mass update.  
| | • **Campuses are responsible for manually processing increases for eligible employees after the mass update is run or upon return from leave, as appropriate.**  |
| Processing Date(s): | Beginning the evening of 12/02/2014  |
| Effective Date: | 07/01/2014  |
| PIMS Transaction: | GEN  |
| Detailed Transaction Code (Item 719): | N/A  |
| EH Remarks (Item 215): | N/A  |
| Pay Amount: | 3%, subject to SCO rounding as a result of the mass update process  |
| Pay Form: | Base salary increase  |
| Lump Sum Earnings ID: | N/A  |

| Employees on Leave: | • Increases are effective 07/01/14 for employees on NDI supplementing with Catastrophic Leave (S49 Transaction, Item 957 = 40) on 07/01/14.  
| | • Increases for other employees on leave (non-pay status) are to be keyed by the campus via GEN Transaction, effective the date the employee returns to active pay status. Post the GEN transaction subsequent to (e.g., on top of) the reinstatement from leave transaction.  
| | • Refer to [HR 2013-08](#) for information on employees on Military Leave receiving a Military Difference in Pay.  |
| Additional Information: | • All employees who are active as of 07/01/14 will receive the GSI via GEN transaction.  
| | • Employees hired on or after 7/01/14 are not eligible for the GSI increase unless specifically stated in the appointment offer letter.  
| | • If the appointment salary falls below the new salary range minimum, the salary must be increased to the minimum of the new salary range via A52F Employment History Remarks Item 215, indicate HR/SA 2014-24. CIRS Compendium Report L16, Cycle 1412 will be available December 8, 2014  
| | • The SCO mass update program applies the GSI to all positions if an employee has an active position. This includes employees with...  |
Temporary appointments with expiration dates prior to 7/01/2014 if the appointment has not been separated. In order to assist campuses in identifying these employees, CIRS Compendium Report H50, Cycle 1412 and tab delimited file H80, Cycle 1412 will be available December 3, 2014 for campus reference and verification. **Campuses are responsible for ensuring that temporary appointment statuses are accurately reflected in the employment history database.**

- Docks, salary overpayments, and/or overtime payments may be impacted by the mass update. **Campuses are responsible for making appropriate adjustments.**

### CMS PROCESSING INFORMATION:

<table>
<thead>
<tr>
<th>Workforce Administration:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary Schedule Load provided by HR Data Operations to CMS on 11/14/14.</td>
<td></td>
</tr>
<tr>
<td>Campus L15 file will be available for download on 12/03/14, Cycle 3333. (The file will load the GSI (PAY/GEN) transactions processed by the SCO as well as corrections.)</td>
<td></td>
</tr>
<tr>
<td>Campuses should process the GEN (L15 file) transaction, then use “correction-mode” to manually update all subsequent salary rows.</td>
<td></td>
</tr>
<tr>
<td>Action Reason: PAY/GSI (GEN)</td>
<td></td>
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<tr>
<td>Effective Date: 07/01/14</td>
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<tr>
<td>Union Code: R06</td>
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<tr>
<td>Empl History Remarks: N/A</td>
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<tr>
<td>Temporary Faculty:</td>
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<tr>
<td>Benefits:</td>
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<tr>
<td>Time and Labor:</td>
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</tr>
<tr>
<td>Absence Management:</td>
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</tr>
<tr>
<td>Labor Cost Distribution:</td>
<td>N/A</td>
</tr>
<tr>
<td>Additional Instructions:</td>
<td>Process leaves as noted above using Action/Reason STD/ND3 or STD/ND4 as appropriate.</td>
</tr>
</tbody>
</table>